

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

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**JUN 5 1995**

**COMMUNICATIONS  
DIVISION**

In the Matter of	)	
	)	FCC 95-46
Amendment of Parts 2 and 15 of the	)	ET DOCKET 95-19
Commission's Rules to Deregulate the	)	
Equipment Authorization Requirements	)	
for Digital Devices	)	

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**COMMENTS OF SPIRIT TECHNOLOGIES, INC.**

Spirit Technologies, Inc. ("Spirit") hereby files these Comments in accordance with the Commission's Notice of Proposed Rule Making ("NPRM") in the above-captioned matter.<sup>1</sup> In its NPRM, the Commission proposes to amend Parts 2 and 15 of its regulations by relaxing the equipment authorization requirements for personal computers and personal computer peripherals from certification to a new equipment authorization process based on a manufacturer's or supplier's Declaration of Conformity ("DOC"). The Commission seeks comment on its proposed new equipment authorization process and several other related issues.

**I. Introduction**

Spirit is a manufacturer of external CD-ROM drive mechanisms and other peripherals for the consumer and business personal computer markets. Spirit is a young company which began in 1992 and has grown, in just two years, from four founders to 62 full-time employees. Consequently, Spirit has needed to comply with the Commission's equipment authorization

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<sup>1</sup> Adopted and released on February 7, 1995.

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regulations. In doing so, Spirit has encountered at least three underlying problems that make the current regulations burdensome: (i) the regulations are complex, difficult to apply, and subject to various interpretations; (ii) after developing a product, an applicant must undergo the expense and delay of testing the product and any subsequent changes to the product; and (iii) after testing the product, an applicant must submit the application for authorization to the Commission resulting in further delay and expense. Thus, Spirit applauds the Commission's efforts in its NPRM to revamp its equipment authorization regulations in a manner that addresses the marketplace needs of equipment manufacturers and suppliers. However, Spirit believes that the proposed rule changes do not go far enough to simplify the equipment authorization process or to make the standards clear and understandable.

## **II. The Commission Should Reduce and Simplify the Regulatory Burdens for Small Businesses**

### **A. The Commission should establish reasonable threshold exemptions for digital devices**

As a policy objective, the Commission has undertaken the promotion of business opportunities for small businesses. The NPRM is consistent with this objective in that it attempts to alleviate some of the regulations that have a burdensome effect upon small businesses. Nevertheless, every regulatory measure has compliance costs associated with it which must be borne by the equipment manufacturer and supplier. Obviously, these costs are either included in the price of the equipment or they reduce the per unit profits. Although economies of scale and other production efficiencies may dilute the effect of these lower regulatory compliance costs for large manufacturers and suppliers, efficiencies of equal magnitude are not generally available to smaller firms who then find it harder to compete. Therefore, if the Commission is truly interested in encouraging small business development, it should not only simplify its equipment authorization rules but it should reduce the scope of its

requirements, i.e., establish a reasonable threshold level of permissible emissions below which digital devices are exempt from testing.

Spirit believes that the Commission can simplify the implementation of a minimum threshold by expressing it in terms of the wattage of a device's power source. In this regard, Spirit believes that the Commission should exempt from its Part 15 technical standards all digital devices that fall below a certain level of power emissions such as 100 watts. The emissions radiated from such low-powered equipment do not pose any significant interference or human safety concerns and are generally consumed by more powerful equipment. For instance, an external CD-ROM drive product typically has a 20 watt power supply and typically will be used as an input device for a personal computer with a 400 watt power supply. The amount of emissions radiated from a 20 watt computer peripheral product is clearly insignificant and completely subsumed by the contour of the emissions radiated by a personal computer's 400 watt power source. Requiring Commission authorization for products with such low power levels is superfluous, costly, and burdensome.

#### B. The Commission should eliminate the Class A and Class B distinctions

Consistent with establishing a reasonable threshold for exempting digital devices with low level emissions, the Commission should eliminate the distinction between Class A and Class B standards, because the distinction has no practical value. If anything, the distinction should be reversed. A large computer system like an IBM mainframe, for example, needs only to pass the less stringent Class A standards for emissions. As such, these large computers which have thousands of watts of power are held to lower emission standards than personal computers or their peripherals which may have only 20 watts of power and must comply with the more stringent Class B standards. Ironically, therefore, the public is more protected from low-powered devices which cause less interference and which present no conceivable way of harming them than they are protected from emissions radiated from large, more powerful sources.

The application of the Class A and Class B distinction is also completely arbitrary. When determining whether a particular device should be classified as Class A or Class B, the Commission considers three questions: (i) is the marketing of the device restricted in such a manner that it is not sold to residential users?; (ii) does the application for which the device is designed generally preclude operation in residential areas?; and (iii) is the price of the device high enough that there is little likelihood that it would be used in a residential environment, including a home business?<sup>2</sup> The answers to these questions do not provide a rational basis for maintaining a distinction between two levels of required testing. First, the answers to these questions are totally unrelated to the emissions radiated by a product. Logically, the more powerful the power source, the more likely that it could be a source of harmful interference. Thus, if the Commission is concerned with interference, any basis for a distinction between more or less testing requirements should be based on the size of the power source and the degree of emissions radiated and not where a product may end up being used.

Moreover, the distinction between Class A and Class B is completely unenforceable. For instance, there is no prohibition preventing a business entity which purchased a Class A digital device from reselling that device, such as a computer peripheral, to an employee for home use. As such, because this distinction is not rationally based and unfairly prejudices manufacturers and suppliers of products for personal use, it should be expunged and the emissions standards for digital devices intended for personal use should be reduced to the same level as the emissions standards for digital devices intended for business use.

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<sup>2</sup> See "Understanding the FCC Regulations for Computers and Other Digital Devices," Office of Engineering and Technology, Federal Communications Commission, OET Bulletin No. 62, Dec. 1994, pp. 8-9.

C. The Commission should permit in-house testing by manufacturers and suppliers

The Commission has proposed a DOC procedure which is a self-certification process, but still requires costly pre-certification testing at a professional laboratory. However, the DOC process, as proposed by the NPRM, will not reduce these testing costs. Although the DOC process will shorten the time it takes to bring a product to the marketplace by eliminating the Commission's delay in processing the authorization application, it does not lessen the testing costs nor does it lessen the costs associated with the delays caused by the testing process. Furthermore, any subsequent changes to the tested device that in any way affect the device's performance will require further testing, costs and delays.

Spirit believes that the DOC process should be implemented without the requirement of pre-certification testing by a professional laboratory. Well-intended manufacturers and suppliers will always conduct reasonable testing to obtain assurance that their products are within the Commission's technical standards. The present regulations and the proposed DOC process with its pre-certification testing are both premised on the presumption that if manufacturers and suppliers are not closely controlled they will indiscriminately violate the Commission's technical standards. There may be renegade suppliers and manufacturers that will ignore the Commission's regulations; however, all manufacturers and suppliers should not be forced to underwrite expensive testing services because of inappropriate behavior by a minority of companies. The Commission should reverse this presumption, i.e., if a company certifies that its product is within the Commission's technical standards, then that self-certification should be respected as true and correct unless the Commission has reason to expect otherwise. The self-certification document should be treated as a legally binding document with appropriate penalties for false or negligent information.<sup>3</sup> Because the personal computer and peripheral marketplace

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<sup>3</sup> When a manufacturer or supplier certifies that its device is within the Commission's technical standards, the device's compliance should be presumed unless the device's compliance is placed in question by a complaint.

*(Footnote continued to next page)*

changes so quickly, it is simply impractical to burden manufacturers and suppliers with untimely and expensive testing requirements prior to marketing their products.<sup>4</sup>

### **III. Spirit Strongly Endorses the Commission's Proposal to Eliminate Testing Requirements for Digital Devices Assembled from Combinations of Authorized Components**

Presently, manufacturers of components used in digital devices test those components in a configuration of its choice, and, on the basis of the testing measurements collected from its chosen testing configuration, the manufacturer seeks the Commission's approval. Once the Commission's approval is obtained, the components are sold to integrators such as Spirit. Spirit must then obtain the Commission's approval for the digital device even though it only contains previously authorized components. In other words, integrators must test their configuration and seek the Commission's approval even though the integrator's configuration may contain only digital devices that have been previously approved by the Commission.

Spirit believes that the testing requirements for digital devices at the manufacturer's level and then again at the integrator's level are duplicative, burdensome, and unnecessary. To integrators like Spirit, therefore, the most attractive portion of the Commission's proposed changes is the creation of an approval process that would permit the marketing of a computer

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When a certification of a device is at issue, the certifier should have a reasonable opportunity to demonstrate the device's compliance by submitting its own test data or that of a professional laboratory.

<sup>4</sup> Because of the dynamics of the computer peripheral marketplace and the extremely large combination of enclosures, power supplies and CD-ROM drive mechanisms that Spirit sells, Spirit is presently spending \$10,000 to \$15,000 a month on testing services. This is a huge burden for a company the size of Spirit and an impossible burden for a small entrepreneurial start-up company. To avoid this cost, growing companies such as Spirit, should be able to invest in emissions test equipment as manufactured by companies such as Tektronix or Hewlett-Packard to scan their own products in their own laboratories for self-certification purposes without the additional expense and delay of retaining a professional laboratory.

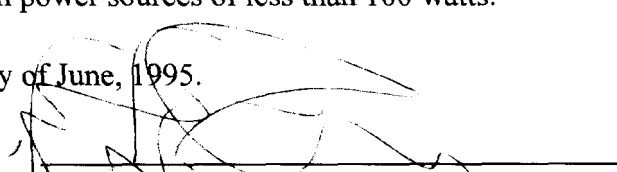
system and computer peripherals configured with previously approved components without requiring further testing.

As proposed, each manufacturer would seek approval of its component or module. Any combination of approved components would not require further Commission approval irrespective of the configuration. The implementation of this process would require the Commission to establish a standard configuration for all component testing, e.g., all CD-ROM drives, must pass an emissions test in a specified type of enclosure. After obtaining Commission approval, the manufacturer would market its device to integrators such as Spirit which would be able to take any approved device and insert it into any standard enclosure and market the configuration without further tests, delays or expenses.

#### **IV. Conclusion**

For the reasons stated above, Spirit strongly endorses the Commission's efforts to deregulate its equipment authorization regulations and especially supports the Commission's proposal to eliminate testing requirements for combinations of authorized components. Moreover, Spirit urges the Commission to take this opportunity to implement even further deregulation measures than presently proposed by the Commission's NPRM such as eliminating the Class A and Class B distinction and establishing an exemption to the Commission's Part 15 technical standards for digital devices with power sources of less than 100 watts.

Respectfully submitted this 5th day of June, 1995.



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